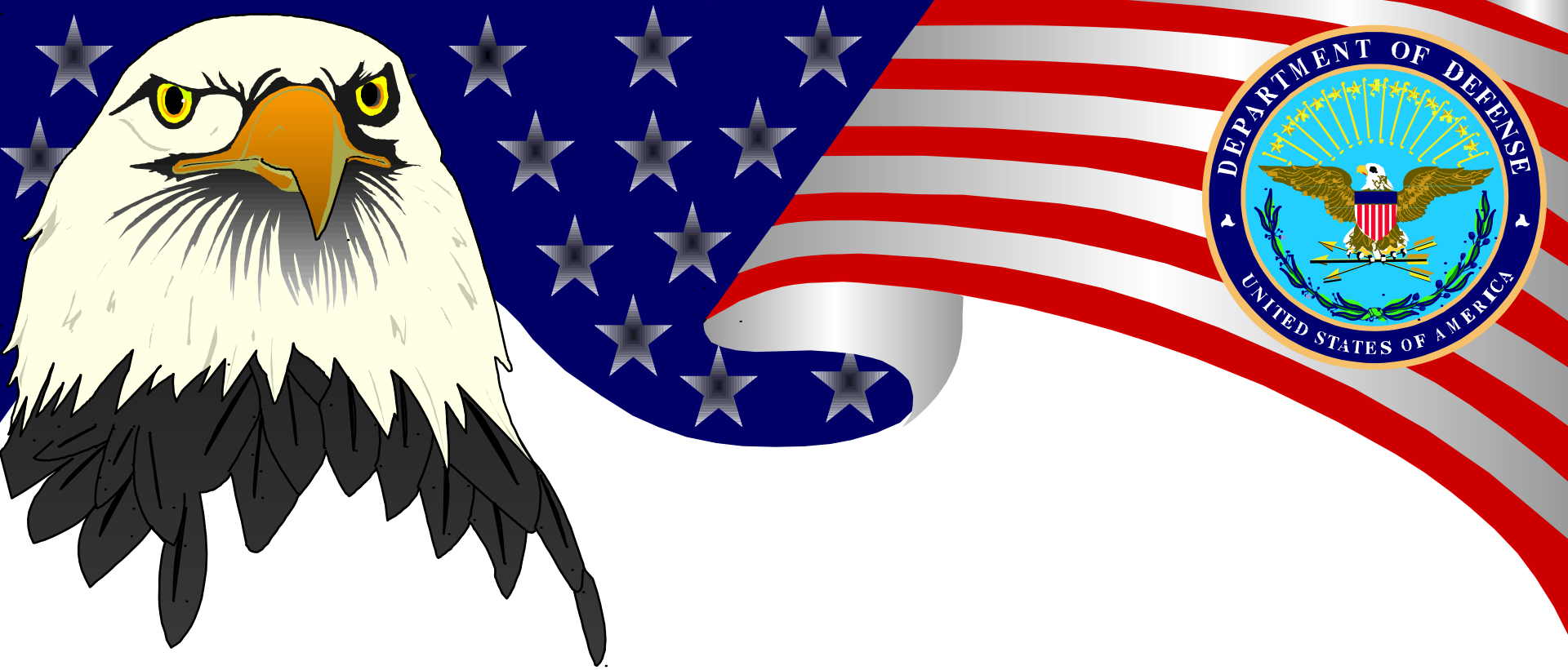
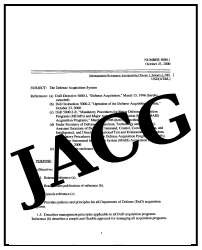


Performance Based Logistics

Performance-Based Logistics

- Program Manager is responsible for life cycle support
  - PM manages integrated logistics chain
  - DoD sustainment commands foster transparency and interoperability
- Performance agreements negotiated with operational customers
- PM builds performance agreements with industry and organic providers
- National ownership of material and services to the point of consumption
- Logistics and financial transactions transparent at the operational level
- Outcome performance measured throughout the process

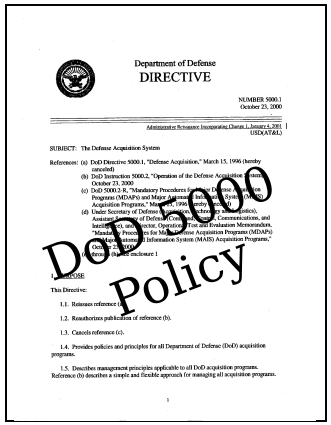
Performance-Based Logistics



Reengineer Product Support

Oversight via R-TOC Forum

30 Pilot Programs



Oversight via DAB/DAES

New program implementation

- **F/A-18 E/F**
- **JSTARS**

Quadrennial Defense Review

- **Performance-Based Logistics**
- **Legacy Systems**
- **FY03 DPG**
- **Service Implementation Schedules**

Operational Demonstrations

Lessons Learned

Adjustments

- **CY02/03 PEO/SYSCO**
- **PM Roundtable**
- **AIA Product Support**

A joint, disciplined program to successfully implement

QDR Direction

- **Project and sustain the force with minimal footprint**
- **Implement performance-based logistics to improve readiness for major weapon systems and availability of commodities**
- **Reduce cycle times to industry standards**

Logistics Transformation to support Military Tr

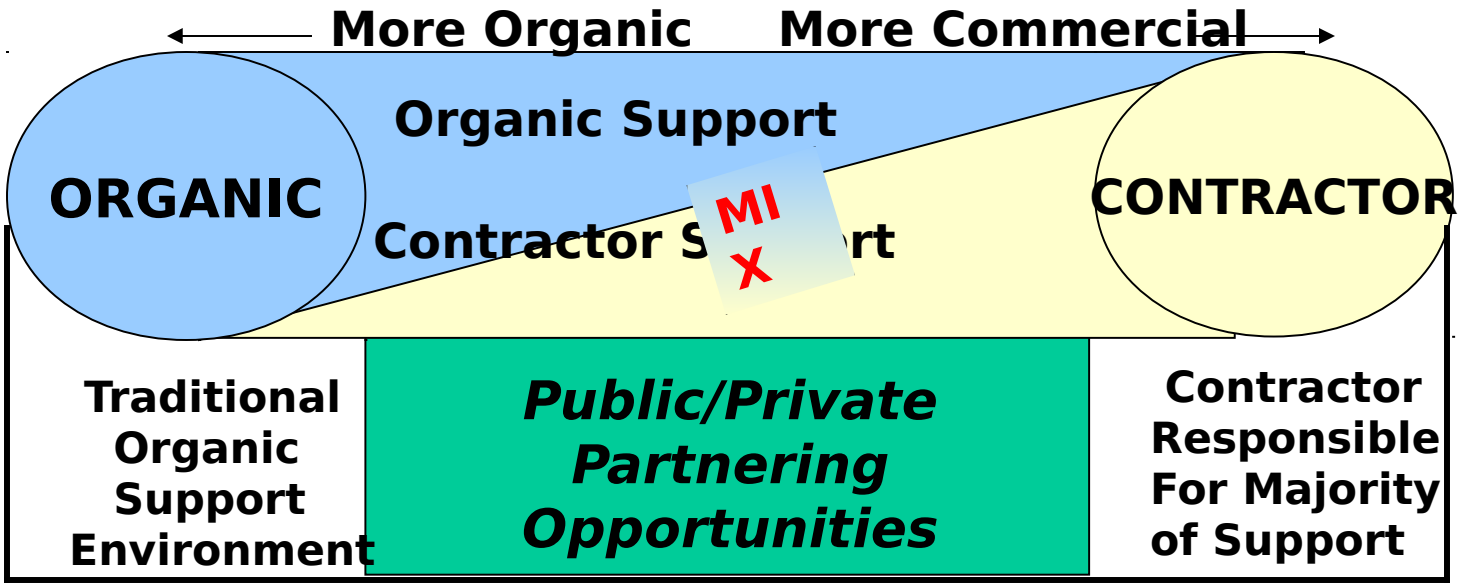
Performance-Based Logistics

DoD Directive 5000.1 "The Defense Acquisition System" May 12, 2003

Performance-Based Logistics. PMs shall develop and implement performance based logistics strategies that optimize total system availability while minimizing cost and logistics footprint. Trade-off decisions involving cost, useful service, and effectiveness shall consider corrosion prevention and mitigation. Sustainment strategies shall include the best use of public and private sector capabilities through government/industry partnering initiatives, in accordance with statutory requirements.

Total Systems Approach. The PM shall be the single point of accountability for accomplishing program objectives for total life cycle systems management, including sustainment

Spectrum of PBL Strategies



PBL strategies will vary along this spectrum depending on:

- **Age of System (Phase in Life Cycle)**
- **Existing Support Infrastructure**
- **Organic & Commercial Capabilities**
- **Legislative and Regulatory Constraints**

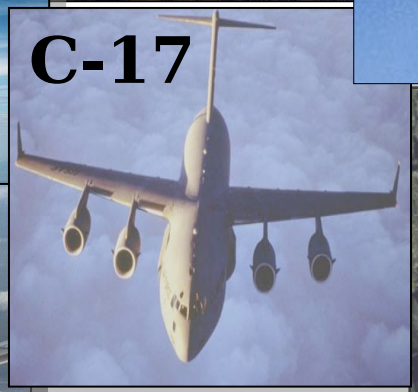
Examples:
- **Total System Performance Responsibility (TSPR)**
- **Industry Partnering**
- **Service Level Agreements**
- **Performance-based Agile Logistics Support (PALS)**
- **Prime Vendor Support (PVS)**
- **Contractor Delivery System (CI**
- **Performance Plans**
- **MOU with Warfighter**

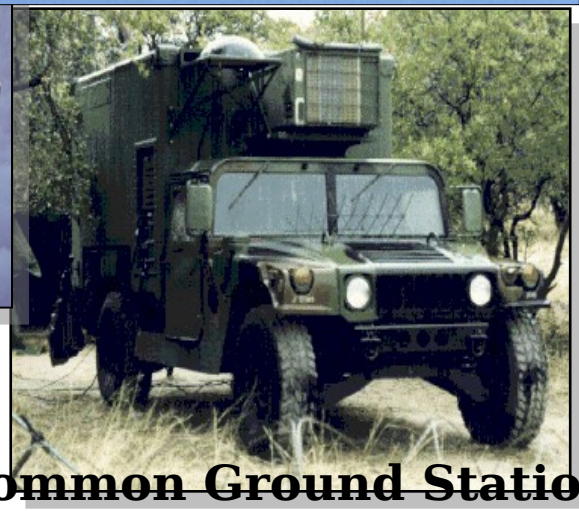
PBL Migration

FIELDED	CURRENT	FUTURE
 F-18 C/D	 F-18 E/F	 JSF
 DDG	 LPD-17	 DDX
 BRADLEY	 Stryker	 FCS
• Transaction-based • Fractured Supply Chains • Random Failures • Batch Process orders • Limited Accountability	• Performance-Based • Integrated Chains • Fleet Management • Integrated Systems • PM Accountability	• Capability-Based • Industrial Integration • Autonomic Logistics • End-to-End Solutions • Single-Line Accounting

	2000	2010
Response Time:	***16 days***	***5-8 days***	***1-5 days***

Programs Contributing to GWOT





Delivering Capability

Joint Surveillance Targeting System
Total Systems Support sibility

Results:

- **Aircraft Availability**
  - –Provided 199 additional aircraft days
- **99% Ground Trainer Availability to Warfighter**
  - –50 additional training positions at no additional cost
- **FY-01 and FY-02 Program Savings of $30.8M**
- **Flew 100% of Scheduled Missions in Support of Operation Enduring Freedom (249)**

Higher Combat Effectiveness at Lower Cost

F/A-18 E/F USN/Industry Partnership

- Industry/Gov't distribution
- Seamless support to warfighter
- Web-based asset visibility

Leverage commercial and DoD best practices

- Deployed 6 months early to meet OEF/OIF requirements
- 99% Range and Depth of Spares Deployed to OIF
- 70%-89% of demands met in 48 hours
- 97.1% successful launch rate

AWACS
Total Life Cycle Systems Management

Program Management

- Fielded System
- PM as Life Cycle Manager
- Managed to ACC performance expectations
- Synchronized modernization, R-TOC, and PDM
- Invested $170M in R&M improvements

Performance Management

- Performance based on ACC requirements
- Organic maintenance and supply support managed through Service-level agreements
- Industry partners incentivized to reduce lead times
- SPD provides program management, configuration control, sustaining engineering

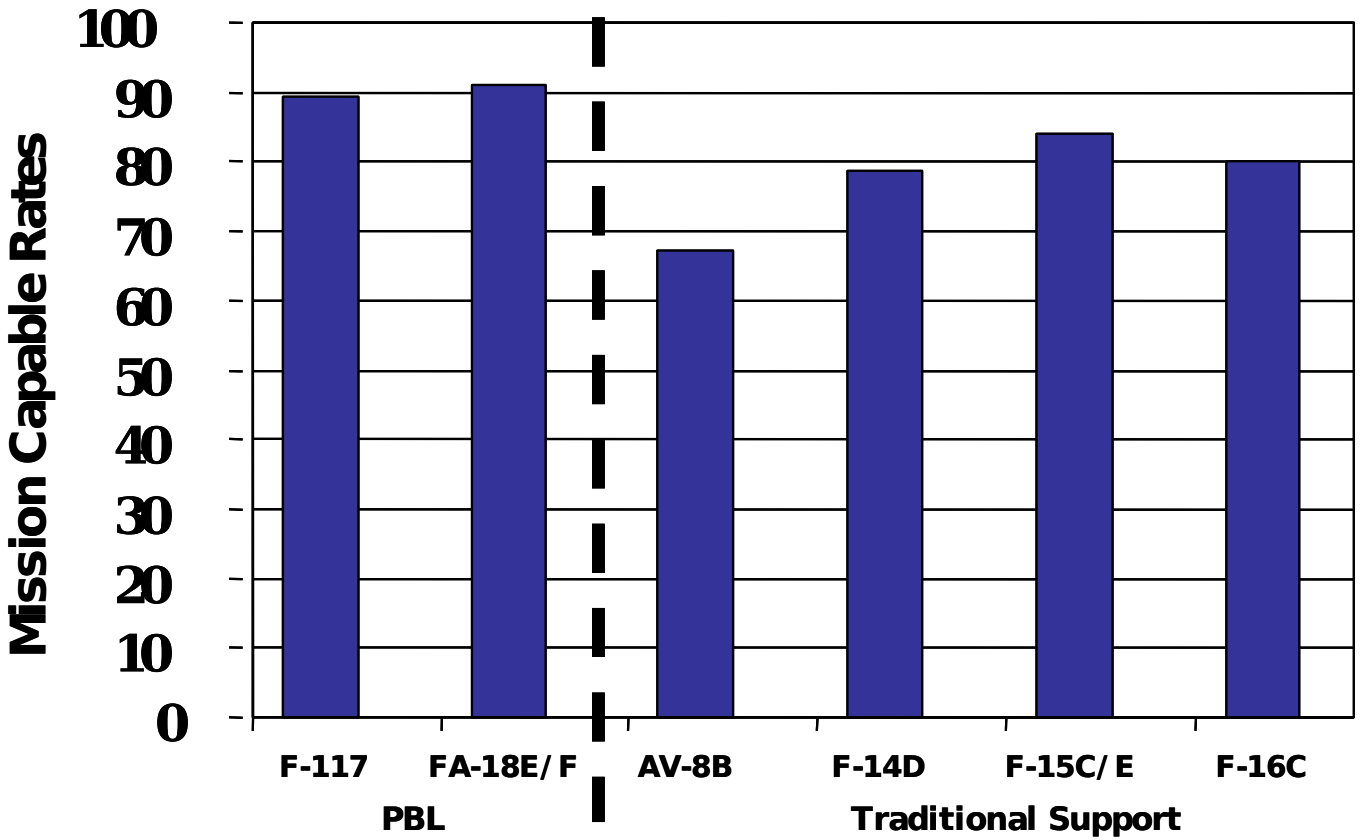
Recent Results

- Exceeding ACC availability
- Improved depot on-time delivery by 60%
- Increased reliability of key subsystems
- Exceeded 83% MC rate during OIF

Common Ground Station

- PM is life cycle manager
- Government led PBL strategy
- Tobyhanna is product support integrator
- Deployed 30 CGS to support OIF
- Streamlined maintenance flow
- Achieved 99% Ao during OIF
- Forward-located repair activity at Baghdad International Airport
- Achieved real-time fleet

GWOT PBL Results



Availability on Demand

Summary

- **Program Managers are Total Life Cycle Systems Managers**
- **PBL is the preferred sustainment strategy**
  - Applied based upon business case
- **Recent results confirm operational and cost benefits of PBL**
  - Structural enablers continue to be addressed
- **We need your input to improve implementation process**